

## **Agricultural cooperation NL-RO: Opportunities to create a win-win situation**



This brief global macroeconomic overview is guiding for the policy of the Dutch Romanian Network and the starting point is the Romanian trade deficit and its export position. The situation in the Netherlands is opposite, but we see opportunities to achieve a matchmaking of interests of Romanian and Dutch interests, a number of examples of which are given in this overview.

The agri and food sector is an important sector with development potential for both NL and Ro. In Romania because of great growth opportunities in all sectors, in the Netherlands to make production chains more sustainable. A strategic partnership between the two countries would be expedient, NL and RO are complementary and certainly not competitive.

Ro has great agri and food growth potential, but the number of modern companies is relatively limited, the processing industry must develop further and the export potential cannot and is not being exploited.

NL has all this in-house, but for many companies NL is too small and, moreover, pressure on the limited land will increase the coming years, on one hand due to increasing environmental requirements on the other hand due to housing problems , nature and extensification.

Agriculture is under considerable pressure in the Netherlands, so it is good to find employment elsewhere. NL has a great deal of expertise and innovation power, both among entrepreneurs and at the periphery around companies, research, information and education. However, there is a threat to the sector without a considerable critical mass (thus quite sizeable sectors) this expertise will move to other countries. Romania could therefore be a strategic partner.



Another element is that many political parties want to shrink the NL agricultural sector. They forget the contribution that NL makes to the world food supply. A partnership with Romania could provide this ethical launch.

The higher sustainability requirements in the Netherlands due to limited space will in time also provide opportunities for the export of knowledge

and concepts.

Many entrepreneurs in the Dutch agri-food business have concerns about the future, in Romania there are several good examples of the development of wonderful companies by Dutch agri-food entrepreneurs. Think of the wonderful modern businesses that have developed greenfield, hence the title of concern to opportunity.

The concerns and opportunities vary per sector, which is a concern in the Netherlands is an opportunity in Romania, below a number of areas of interest:

### **Horticultural chains**

In the horticultural chains there are great opportunities for Dutch suppliers and investors in Romania in the development of the primary sector, both in high-tech and in mid-tech (upgrading poly greenhouses) as well as in storage, sorting, packaging and processing and the development of export. The pressure on Dutch horticulture is limited.

Horticulture (covered cultivation) is generally not a sector in the Netherlands that is under pressure. The biggest challenge in the Netherlands is labor (now many Romanians, Poles, etc.), it will not remain that way, automation and also relocation to cheaper countries is already happening and will grow. Romania has a weak export position and is far from self-sufficient. The Netherlands is very strong in the import and export of fruit and vegetables, which form great combination possibilities with Romania.

### **Intensive livestock farming**

Intensive livestock farming (pork, poultry, beef) is under increasing pressure in the Netherlands due to animal welfare and also due to the limited ability to close cycles because the feed has to be supplied from elsewhere.

Romania is pre-eminently a country in the EU where animal feed can be grown locally and thus creates closed cycles. Slaughter and meat processing will therefore have to be relocated. By the way, the DRN already responded to this last summer by organizing a first webinar together with Agriprogress about the opportunities in Romania for Dutch pig farmers. Romania has a weak export position and is still far from self-sufficient.

The Netherlands has a large calf sector, some of the Romanian calves are finished in the Netherlands. This sector is currently undergoing a restructuring and, moreover, the social pressure on livestock transport will increase, so here too opportunities for Dutch investors and entrepreneurs in Romania.

Moreover, the current meat consumption in the EU is increasingly not sustainable in the long term. Here, too, there are opportunities for both

the Netherlands and Romania to develop chains in the vegetarian market.

### **Dairy farming and dairy chain**

Dairy farming in the Netherlands is under pressure because of the high cost price and also the increasing demands placed on production that cannot be included in the sales price. These requirements will also increase, such as more nature, the environment (phosphate, nitrogen, water framework directive) and housing: 100,000 homes. There is still plenty of room in Romania so it's much less of an issue. Dutch dairy chains and the periphery could be partly relocated, so opportunities for suppliers, entrepreneurs in the chain and investors and the periphery around. Here too Romania has a weak export position and is far from self-sufficient.

**Fruit chains** Plenty of opportunities in the development of fruit chains in Romania. Chains of apples, pears, cherries, etc. Opportunities for Dutch entrepreneurs (tech and plant material) and investors in development of these chains.

**Arable chains** Open field vegetable cultivation also offers plenty of opportunities for the Western Europe region in the Netherlands. However, at prices of 80-100,000 euros per ha. For specific chains with perishable products (onions, carrots, etc.). there are certainly development opportunities in Romania for Dutch investors and entrepreneurs. Potato cultivation in Romania is currently limited or unable to compete within the EU (Poland, Germany, the Netherlands). Increasing efficiency and developing short chains certainly offers opportunities in Romania and therefore for Dutch investors and entrepreneurs. The potato sector has a strong position in the Netherlands (seed potatoes, chains, starch). Moreover, the space taken up in urban areas is limited, so this will stabilize in the Netherlands.

### **Precision farming**

The export of Dutch knowledge and technology in the field of precision agriculture in the context of efficiency and / or reduction of inputs offers opportunities in Romania for all sectors. In any case, the stricter requirements that are now imposed on Dutch agri-food chains will create opportunities for entrepreneurs in Romania.

### **Grants**

In the coming years, the Romanian government will focus on the development of added value in Romania. Storage, sorting, packaging and processing in agri-food will be major points in the new subsidy programs.

## **Durability**

In Romania too, there are increasing concerns about sustainability of the current agricultural system. The progressive farmers are also working on short chains, regenerative agriculture, input reduction, collaboration, smart farming, biodiversity, branding, etc. There are certainly opportunities for collaboration here.



## **Dutch Romanian Network**

Where are the opportunities for DRN:

- European-level lobby for food production in the most sustainable places in the EU.
- Promotion of agri-food opportunities in Romania among Dutch entrepreneurs and investors
- Promotion of NL knowledge and technology in Romania among the various stakeholders in Romania: public and

private parties

For more information and support: DRN Taskforce Agri & Food, Pieter Helfferich(CEO AgriProgress ), Reinder Schaap(Chairman DRN Taskforce Agri&Food) and Ben Jager(Executive President Dutch Romanian Network)